GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:5014
ANSWERED ON:21.12.2000
COMPLAINTS AGAINST THE DIRECTORS OF MADHYA PRADESH
REENA CHOUDHARY

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government have received complaint relating to the bungling of foreign exchange by the directors of Madhya Pradesh flying club;

(b) if so, the details thereof;

(c) the total amount in foreign exchange paid by the said club for purchase of three aeroplanes during 1997-98 and the amount reflected in the balance sheet;

(d) the steps taken by the Government to conduct an enquiry into the matter; and

(e) the action taken against them?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) and (b): Yes, Sir. A complaint against M/s Madhya Pradesh Flying Club Ltd.(MPFC) has been received regarding alleged siphoning of valuable foreign exchange of Rs.36.25 crores to USA in connection with purchase of 2 trainer aircraft.

(c) According to the MPFC, for purchase of 3 trainer aircraft no foreign exchange was paid during 1997-98. Due to some dispute over the procurement price of the aircraft and the engines, the club has not made any payment to the Financer/Director so far and the club has shown this amount in the balance sheet as `Liabilities` as follows:-

i) Liability accepted by the Club: Rs.41,19,647/-
ii) Disputed Liability: Rs.33,14,677/-

(d) and (e): The matter shall be looked into at an appropriate level.